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Spotlight

ON FOREIGN MARKETING

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DEPARTMENT OF AGRICULTURE



TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

Vol. 1, No. 8

June 14, 1957

FIRST INTERNATIONAL COTTON FASHION SHOW SCHEDULED FOR VENICE IN SEPTEMBER.

The Cotton Council International, in cooperation with its counterparts in many countries of the world, will stage the first international cotton style show this fall. The styles will represent the best efforts of designers from about a dozen countries, including Japan. Among other things, the cotton industry will step up its efforts to promote cotton as high fashion and as a fabric which can be readily adapted to all climatic conditions the year around.

The fashion show will be held in conjunction with the annual meeting of the International Federation of Cotton and Allied Textile Industries, to be held in Venice beginning September 25. The event is expected to be well covered by the international press. Films will be made to document this initial effort with the hope that it may become an annual affair.

The Cotton Council International is cooperating with FAS in promoting the sale and uses of U. S. cotton abroad under a Section 104-a, P.L. 480, market development project agreement. The foreign cooperators are third party members under the same program.

SECRETARY BENSON ANSWERS REPORTERS ON COTTON EXPORT PROGRAM.

"Shipments of cotton abroad amounted to 5.4 million bales through March of the current marketing year, which is nearly five times as much as the same period one year earlier. This big export increase was achieved without undermining or disrupting the world cotton market. Foreign exporting countries, generally, are moving all the cotton they have available for export trade. Prices of major foreign growths have actually increased during this period of rising export sales from this country, and have stayed generally above the U. S. price for nearly all of this marketing year. During the same time you know that U. S. prices have been increased by about one cent a pound."

Since the Secretary's press conference on May 29, export figures for April have been received, making the August-April total 6.0 million bales.

NEW NAME FOR AGRICULTURAL SURPLUSES. U. S. Information Agency has taken a healthy step in alleviating bad connotations "agricultural surpluses" may have in foreign countries. In their news releases "U. S. surpluses" are called "agricultural reserves."

FOREIGN CATTLE BUYERS SHOULD WORK THROUGH ACCREDITED BREEDER ASSOCIATIONS. Potential buyers of beef and dairy cattle should be advised that they will get the most for their money when they arrange purchases through the proper breed association. There is such an association for each breed of cattle bred in the U. S. This same credo applies also the other livestock. Examples of such sales can be found on page one of Spotlights No. 6 (Corriedale sheep) and No. 7 (Brangus Cattle). The FAS Livestock or Dairy and Poultry Divisions can suggest proper contacts for foreign clients.

THE PRESIDENT'S COMMISSION ON INCREASED INDUSTRIAL USES OF FARM PRODUCTS recommended tripling USDA's funds for this type research, emphasizing: (1) Increase participation by public and private institutions in an effective research network. (2) Greatly expand basic research on use of farm products. (3) Increase use of grants, fellowships, and scholarships to increase the Nation's supply of scientists. (4) Place more emphasis on government-industry sharing of research costs. (5) Expand research and development work with new crops. (6) Make wider use of commercial-scale trials of new products. (7) Offer economic incentives to growers and processors to bridge the gaps between research and established industrial uses of crops.

WHEAT DELIVERIES MUST NOW CONFORM TO REVISED GRAIN STANDARDS. Effective June 15 export shipments of U. S. wheat must conform with new grain standards. Previous announcement was made in Spotlight No. 4 3/15/57, and in USDA press release 786/57, 3/8/57.

FAS WILL MEET WITH PRIVATE TRADE GROUPS TO DISCUSS THE MARKET DEVELOPMENT PROGRAM UNDER SEC. 104-a, P.L. 480. The meetings will be in Washington on June 27-28. Among other things, the group will discuss plans for future market development activities and possibilities for improving promotional methods and techniques.

PRUNES AND ORANGES HELP SELL EACH OTHER. Prunes are a top source of vitamin "A", while oranges are a top source of vitamin "C." When the two fruits are alternated for breakfast, not only is variety added, but two highly important vitamins are obtained in substantial amounts. Pass this promotion point on the the import trade.

U. S. AGRICULTURAL EXPORT POLICY is based on three principles:

1. We will compete fairly on the world market.
2. We will be competitive in quality.
3. We will participate in mutually profitable international trade that gives our customers abroad the continuous opportunity to earn the foreign exchange they need to buy our products.

We are competing against other nations in world trade. But our aim is always, friendly competition -- fair competition.

Sec. Benson, 5/20/57, IFAP, Purdue Univ.

MILK PRODUCTS FOR ANIMAL FEED: Present commitments are approximately equivalent to anticipated acquisitions for marketing year ending March 31, 1958. In the event that inventory exceeds expectations consideration will be given to a program to sell nonfat dried milk for animal feed use.

CORN: On May 31, 1957 CCC announced special offerings of High Moisture Yellow Corn (14% or over) for export on a competitive bid basis. Offered as No. 2 or better for immediate delivery. Also announced May 31, 1957 offerings of No. 2 White corn for export on a competitive bid basis.

CCC has limited stocks of yellow corn available on the West Coast. On May 24, 1957 CCC announced offering of 3 cargoes of this corn - 9500 L.T. each for export on a competitive bid basis - guaranteed No. 2 or better delivered F.O.B. ship San Francisco Bay Area including Stockton. Thus far no sales have been made.

Total exports of all corn from October 1, 1956, beginning the current marketing year, to June 5, 1957 amount to 99,089,000 bushels.

RYE: CCC is offering nominal quantities of rye for export after having been out of the market for 3 months. Approximately 110,000 bushels of rye were sold on June 6, 1957 at prices ranging from \$1.12 1/2 to \$1.16 F.O.B. Gulf and East Coast.

FLAXSEED: CCC is offering flaxseed for export sale twice weekly on a competitive bid basis. By June 3, 770,000 were sold at \$2.45-\$2.47 per bushel F.O.B. carrier Duluth and Minneapolis. About 15 million bushels remain in CCC stocks.

DRY EDIBLE BEANS: CCC stocks of 1956 crop of Michigan pea beans (Navy) and New York red kidney beans are sold out. Supplies are available through commercial channels from private exporters.

COTTON LINTERS: Remaining CCC inventory is about 35,000 bales. If sales continue at the present level CCC stocks will be exhausted by August 1, but exports would continue from commercial supplies.

COTTON, UPLAND: Recent CCC selling prices have averaged about 27.6 cents per pound for middling inch cotton at inland points. On May 28 over 331,000 bales were sold under the special export sales program. Total from the beginning of the program is 11 million bales.

MEXICAN CATTLE BUYING PROGRAM CONCLUDED. Approximately 16,400 beef cattle were bought at an estimated cost of \$3.6 million, and about 3,600 dairy cattle at about \$1.2 million. Purchases were made in 16 states.

The program enabled Mexican cattlemen to increase dollar purchases of U. S. cattle needed to improve breeding stock and herd quality. Valuable trade contacts were established.

Buyers made their own selections of cattle and established their own financial arrangements.

GUIDE TO CURRENT DOMESTIC PRICES OF U. S. AGRICULTURAL PRODUCTS

Commodity	Unit	Grade, Type or Variety	Location	Latest Price week ending 5/31/57	Price Year Earlier ^{3/}
Cotton	Gr. Lb.	Mid. 1"	Hstn.-Gal.N.O.	\$.3390	\$.3513 ^{3/}
Wheat ^{1/}	Bushel	#2 H. W.	Galveston	2.33-2.42	2.29-2.34
"	"	#1 S. W.	Portland	2.51-2.52	2.17-2.19
"	"	#2 S. R. W.	Baltimore	2.15-2.34	2.48
Rice	100#	Milled Zen. #2	New Orleans	9.00-9.50	8.00-9.00
Barley	Bushel	#2 Malting	Minneapolis	1.10-1.28	1.24-1.38
"	"	#3 Feed	Minneapolis	.85-.96	.94-1.05
"	"	#2 Western	San Francisco	1.02	1.15-1.17
Corn	"	#2 Yellow	Chicago	.73	1.59
Grain Sorghum	100#	#2 Yellow Milo	Ft. Worth	2.15-2.20	2.34-2.39
Beans	100#	#1 Gr. Northern	Idaho Points	6.85-6.95	6.70-6.75 ⁴
Cottonseed Oil	Pound	B.P.S.Y.	Dec.Ft., N.Y.	.1544	.1740
Soybean Oil	"	Refined	New York	.1438	.1712
Cottonseed Oil	"	Crude	Valley	.1300 ^{4/}	.1488
Soybean Oil	"	Crude	Decatur, Ill.	.1162-.1175	.1400
Linseed Oil	"	Raw	Minneapolis	.1260	.1450
Flaxseed	Bushel	#1	Minneapolis	3.07	3.50
Soybeans	"	#1	Chicago	2.34	3.13
Lard	Pound	Refined 50# tin	Chicago	.1375	.12625
Tallow	"	Prime Inedible	Chicago, FOB	.0725	.0650
Greases	"	Choice White	" "	.0925	.07625
Cottonseed Meal	Sh. Tn.	41% Bagged	Memphis	52.00	52.00
Soybean Meal	Sh. Tn.	44% Bagged	Decatur ^{2/}	50.00	64.50
Butter	Pound	Gr. A 92 score	Chicago	.5925-.5950	.5900-.5925
Cheese	"	Cheddar	Wis. Prim. Mkts.	.34125-.3600	.34125-.3600
Milk, N.F.D.S.	"	Sp. Proc.	Chicago	.1475-.1685	.1500-.1685
" Evap.	Case	48-14 1/2 oz.	Pac. Cst. Mkts.	5.95-6.45	5.80-6.30
Eggs, shell	Doz. Med.	Mixed colors	New York	.2600-.2700	.3800-.3900
" dried	Pound	Whole	New York	.98-1.04	1.15-1.29
Beef Trimmings	"	75-85% Lean Froz	Chicago	.3150	.2000
Beef Hearts	"	Regular Frozen	"	.1700	.1050
Beef Livers	"	" "	"	.2200	.1475
Pork Trimmings	"	" "	"	.1700	.1200
Chicken	"	Gr. A Hen, R.C.	New York	.3000-.3100	.4200-.4400
Turkey	"	Gr. A Tom, R.C.	New York	.3750-.3900	.5850-.6150
^{5/}					
Canned Appricots	Doz. #2 1/2	Choice Halves	FOB-Calif.	3.15	2.90
" Peaches	Doz. #2 1/2	" "	" "	2.60-2.65	2.825-2.875
" Pears	Doz. #2 1/2	" "	" "	3.50	3.40-3.50
Grapefruit Secs.	Doz. #303	Fancy, Li. syrup	FOB-Florida	1.60	1.475
Orange Juice	Doz. 46 oz	Sweetened	" "	2.15	2.80
Oranges, fresh	Std. Ctn.	Size 163 Valencia	FOB-Calif.	2.18	^{7/}
Oranges, fresh-FLA	1-3/5bu.bx.	Valencia	10 markets ^{6/}	3.80	5.10
Lemons, fresh	Std.Ctn.		FOB-Calif.	3.01	2.62
Raisins	Lb. Bulk	Natl. Thompson	FAS-Calif.	.1275-.13	.115
Prunes	Pound	80-90 Santa Clara	" "	.975-.115	.12-.125

^{1/} I. W. A. export payment allowances for CCC wheat sold for export under GR-261 and GR-262 shown below relate to hard wheat:	Current Week	Year Earlier
Gulf Coast to all destinations except Latin America..Hd. Win.	51	65
Gulf Coast to Latin America and West Indies.....Hd. Win.	48	62
East Coast.....Northern Spring 80	63	73
Pacific Coast.....All	86	62

^{2/} Unrestricted billing basis. ^{3/} Middling 15/16". ^{4/} Sales

^{5/} Quotations for fruit are for domestic sales; export sizes and varieties probably lower.

^{6/} Weight average auction prices, 10 terminal (northern) markets.

^{7/} Due to change in sizes of California fruit, no comparable figures for last year.

MARKETING NOTES - U. S. SOYBEANS

World's Largest Exporter. Since the war the U. S. has been the world's largest exporter of soybeans, taking the place occupied by China-Manchuria prior to that time. The estimated size of this year's crop of soybeans is approximately 456 million bushels and it is anticipated that exports will reach 80 million bushels, which is 20 percent greater than last year's record export of 67 million bushels.

Uses. In Europe soybeans are used as a source of oil for both food and industrial purposes, of protein concentrates for animal feeding and as a raw material for the production of adhesives, etc. In the Far East soybeans are used principally for food purposes because of the high protein content.

Shipments. Soybeans for crushing are generally shipped in bulk with minimum shipments around 500 tons up to full cargoes, the size of which depends on the capacity of the vessel. For edible use in the Far East soybeans are frequently shipped in bags of around 100 pounds each.

Grades and Standards. The USDA has set up official standards for soybeans under the Grain Standards Act. Practically all sales for export specify grades etc. as set forth in these official standards. No. 2 yellow soybeans is the grade covering the largest proportion of our exports. Sampling and grading are done by inspectors licensed by the Department of Agriculture, unless a Federal Appeal Certificate is required. Then inspectors employed by the Department draw samples and determine the grades.

Effective September 1, 1955 the Official Standards were changed, reducing the maximum percentage of foreign material allowable by one percent for each grade. For example, the percentage of foreign material in No. 1 soybeans was set at a maximum of one percent, No. 2 at two percent. Since that time, complaints regarding too much foreign material have been negligible. U. S. soybeans usually run about one-half to one percent more oil than do those exported from China-Manchuria.

Prices. Price support for soybeans is not mandatory but prices are being supported under the discretionary authority of the Secretary of Agriculture. Market prices in most years have been above support. In the few years when the Commodity Credit Corporation did acquire some soybeans, it had little difficulty disposing of them. CCC is now acquiring soybeans under the 1956 crop support program. The support price for the 1957 crop is \$2.09 per bushel (national average price to farmers), 6 cents less than for the 1956 crop. A futures market is operated in Chicago.

CCC Sales. CCC announced on May 17 the terms under which it would sell its soybeans from June 1 until October 1, 1957. These terms apply to soybeans for domestic use as well as for export. They provide that the minimum price will be the market price, but not less than the 1956 basic loan rate for Grade No. 2 soybeans in store at point of production plus five cents per bushel and plus one and one-half cents per bushel carrying charges for each month or fraction of a month beginning June 1, 1957.

Commercial market discounts for quality factors such as moisture, damage, and foreign material will be used in determining the actual sales price. Sales will be made through CSS commodity offices, Chicago, Kansas City, Dallas, and Minneapolis.

Estimates of CCC takeover will be reported as they become available.

P. L. 480. Soybeans have not been available for financing under this Act.

Credit. Export-Import Bank credit and CCC credit are available on soybean exports on the terms outlined for other commodities.

Fats and Oils Division, FAS
June, 1957